



**LAW ENFORCEMENT MISSION:
SAFEGUARD OUR FINANCIAL
SYSTEMS, PROTECT OUR
NATION'S LEADERS, AND
SECURE A SAFE AND
DRUG-FREE AMERICA**

Law Enforcement Mission: Safeguard Our Financial Systems, Protect Our Nation's Leaders, And Secure a Safe and Drug-Free America

Treasury plays a critical role in Federal law enforcement efforts, helping foster a safer nation by combating terrorism and violent crime, protecting our borders, preventing drug smuggling, suppressing counterfeiting, fighting money laundering, preventing financial crimes, and training the vast majority of Federal law enforcement personnel.

Law Enforcement Strategic Goals

- LE1: Reduce Violent Crime and the Threat of Terrorism
- LE2: Combat Money Laundering and Other Financial Crimes
- LE3: Protect Our Nation's Borders and Major International Terminals from Traffickers and Smugglers of Illicit Drugs
- LE4: Protect Our Nation's Leaders and Visiting Dignitaries
- LE5: Provide High-Quality Training for Law Enforcement Personnel

LE1: Reduce Violent Crime and the Threat of Terrorism

RESULTS

According to the Department of Justice (DOJ), the overall level of crime in the United States last year decreased by 3.3 percent. In accomplishing their missions, Treasury's law enforcement bureaus contributed to the overall reduction. As a result of the events on September 11 and the continuing threat of terrorism against the U.S., Treasury expanded its role in combating terrorism and targeting terrorist assets.

STRATEGIC GOAL OVERVIEW

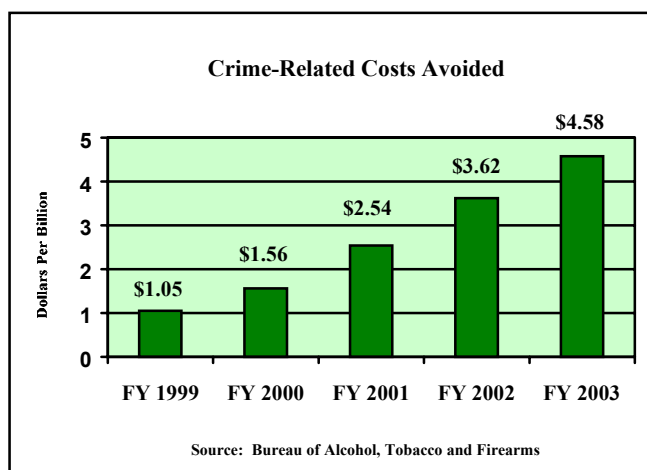
Although violent crime has declined steadily over the past eight years to its lowest level in more than 30 years, it remains a key concern of the American public. To protect our nation against terrorism, Treasury prevents international terrorist groups and rogue nations from obtaining sensitive and controlled commodities and financing.

STRATEGIES/KEY MEASURES

Reducing Violent Crime

Project Safe Neighborhoods. ATF fought violent crime through its enforcement of Federal laws pertaining to firearms, explosives and arson, by imprisoning violent offenders, reducing criminal misuse of firearms, explosives and fire and through partnerships and community outreach efforts. One of the major new strategies has been Project Safe Neighborhoods, a crosscutting, and comprehensive firearms enforcement strategy with DOJ. Through multi-agency partnerships, the program combines enforcement of existing firearms laws with a focused DOJ prosecution program to fight gun violence in each of the 94 Federal judicial districts. A key component of this joint strategy involved comprehensive crime gun tracing to develop critical intelligence and investigative leads on illegal sources of firearms entering the various communities. Over the last few years, ATF has developed a number of technology solutions to improve the response time and accuracy of firearms tracing. These advances, coupled with the scientific analysis of firearms crimes and trafficking patterns, have been invaluable to law enforcement's ability to apply resources where most needed.

Uniform Crime Reports Data on Gun Violence. Currently, ATF uses crime-related costs avoided as one of its measures to evaluate its strategy to reduce violent crime. Since this measure is limited in its effectiveness, ATF has been working with the DOJ to monitor Uniform Crime Reports data on gun violence in specific cities where Project Safe Neighborhoods and other Integrated Violence Reduction Strategy crime fighting ATF projects are implemented, for comparison with like cities in which none of these special resources are applied. This comparison should be a valid indicator of the impact of ATF violence reduction efforts.

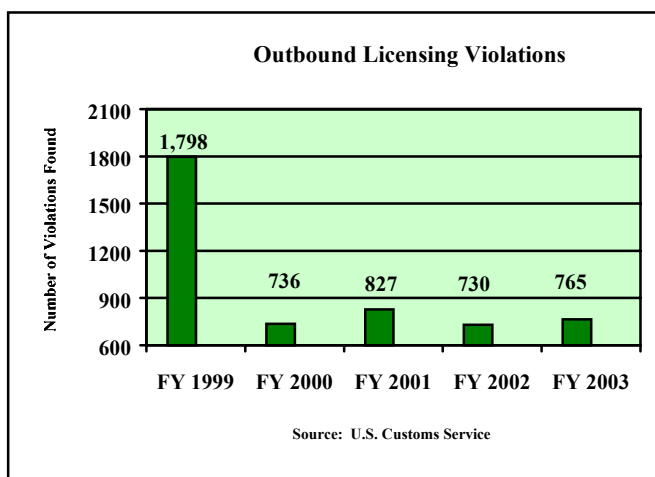


Reducing the Threat of Terrorism

Economic Sanctions. After the attacks of September 11, the role OFAC in fighting terrorism was expanded through Executive Order 13224 and the PATRIOT Act. OFAC has administered economic sanctions against the seven state sponsors of terrorism (Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria), specific foreign terrorist organizations (such as Hamas and Al-Qa'ida), and against individual Specially Designated Terrorists. Property and interests in property owned by those organizations and individuals are blocked, and all transactions including the making or receiving of any contribution of funds, goods, or services to or for their benefit are prohibited. Since September 24, 2001, 164 foreign entities and individuals have been added to the new list of Specially Designated Global Terrorists.

Disruption of Trafficking Activities.

As part of the Customs Anti-Terrorism initiative, Outbound Programs procured \$10 million in Non-Intrusive Inspection equipment for northern border security. This equipment includes X-ray vans, mobile inspection systems, contraband detection kits and hand-held vapor tracer detectors that can be used to detect explosives as well as narcotics. This equipment will be utilized to prevent the movement of narcotics, weapons of mass destruction and other contraband. Investigative efforts significantly disrupted international trafficking activities, particularly in regard to the illegal export of such items as military aircraft and missile parts, unmanned aerial vehicle components, night vision equipment, munitions items, and fiber optic gyroscopes.



Anti-Terrorism Training. Customs began to address the critical issue of Anti-Terrorism training. Currently, Outbound Programs conducts a three and one half-day seminar on Aviation Safety and Security/Anti-Terrorism.

PROGRAM EVALUATIONS

Treasury law enforcement bureaus use various program evaluations to complement the use of performance measures in assessing program effectiveness. Program evaluations also encompass an assessment of program implementation processes and operating policies and practices when implementation rather than program outcome is a concern.

MANAGEMENT CHALLENGES/HIGH-RISK AREAS

The Treasury OIG has identified violent crime performance measures as a management challenge that needs to be addressed. ATF is addressing the OIG's concerns by developing a new cross-cutting measure, using data provided by the DOJ via Uniform Crime Reports from State and local law enforcement agencies. This will more fully reflect the impact of the ATF Integrated Violence Reduction Strategy and its component projects.

PARTNERS

ATF works closely with state, local and other Federal law enforcement organizations to implement its Integrated Violence Reduction Strategy. This strategy is aimed at reducing the illegal acquisition of firearms, prioritizing investigations, and encouraging comprehensive gun tracing. ATF is working with the FBI and other DOJ agencies in cross-cutting partnerships as required by the Results Act. This inter-agency coordination is necessary to ensure the elimination of overlaps in jurisdiction and effective sharing of information/intelligence and resources in fighting violent crime and the new threat of terrorism. Customs enforces hundreds of laws and regulations in partnership with dozens of Federal agencies. The broad range and myriad of tasks and responsibilities of Customs creates the need to coordinate with other Federal agencies, state, local and foreign governments, and many trade and travel groups.

NEXT STEPS

A serious challenge in investigating the procurement of weapons of mass destruction, or required elements and technologies by international terrorist groups, is identifying members who are in the U.S. One of the major challenges faced in dealing with investigations into transnational terrorist and criminal organizations is the lack of development and expertise in the law enforcement agencies of foreign governments. Treasury law enforcement bureaus will continue to provide training and assistance to foreign authorities in strengthening their borders and enhancing global enforcement capabilities. Customs will continue to leverage technology in an effort to meet new and evolving challenges. For example, they will continue to develop hand held Isotope Identifiers. These units will work in concert with the Radiation Detection Pagers that Customs currently utilizes. Radiation detection pagers are small devices that can clip onto the inspector's belt and give off an alert when a radioactive source is present. The Isotope Identifiers will enable the inspectors to determine what type of radiation is present. ATF will continue to work closely with state, local and other Federal law enforcement organizations to implement Integrated Violence Reduction Strategy.

LE2: Combat Money Laundering and Other Financial Crimes

RESULTS

Treasury continued as the lead U.S. government agency setting anti-money laundering policy and investigating financial crimes. Although, at present, there are no clear and accepted performance measures for the magnitude of money laundering and many financial crimes, our programs succeeded in producing significant changes in the anti-money laundering laws of a number of countries around the world. This has made it more difficult for money launderers and other financial criminals to find safe haven to launder their illicit proceeds.

STRATEGIC GOAL OVERVIEW

Money laundering introduces the proceeds of crime into the legitimate stream of commerce and finance by masking their illicit origin, and is a global phenomenon of enormous reach. Laundered proceeds provide the funding that terrorists, drug dealers, arms dealers, fraudsters, and others need to operate and expand their criminal enterprises. Unchecked, money laundering has the ability to destabilize democratic systems and undermine economic financial markets around the world.

STRATEGIES/KEY MEASURES

Combat Money Laundering. In September 2001, Treasury released the *2001 National Money Laundering Strategy*. The *2001 Strategy* articulated five goals: (1) focus law enforcement's efforts on the prosecution of major money laundering organizations and systems; (2) create and implement a uniform system that measures the government's anti-money laundering results; (3) maintain an effective regulatory regime that denies money launderers easy access to the financial sector; (4) enhance Federal, state, local, and international coordination in the fight against money laundering; and (5) strengthen international efforts to combat money laundering around the world.

Overseas Efforts. Treasury led interagency efforts to strengthen the international effort to combat money laundering and supported the Financial Action Task Force in reviewing and evaluating non-compliant countries and territories. As a direct result of this work, several major jurisdictions, including Russia, Israel, and the Philippines, that previously lacked anti-money laundering laws, now have comprehensive laws in place. Additionally the Bahamas, Cayman Islands, Liechtenstein, and Panama have significantly revised and strengthened their anti-money laundering rules and regulations.

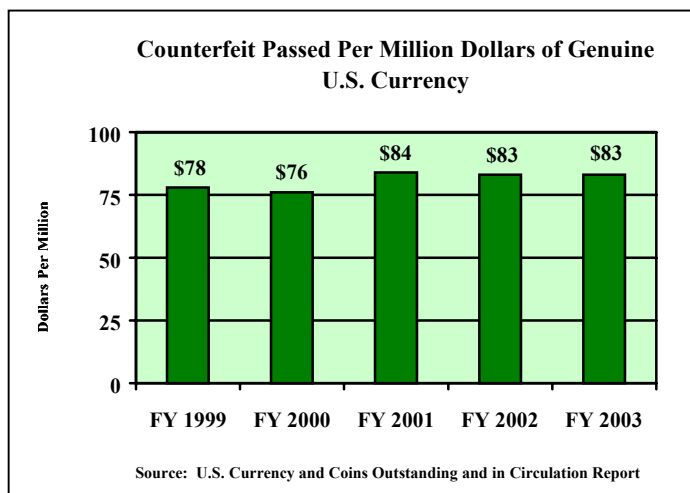
Blocking Terrorist Assets. Following the terrorist attacks of September 11, Treasury led the international effort to trace the funds terrorists use to finance their activities and to block and seize these funds. Because of the work of OFAC, the Foreign Terrorist Asset Tracking Center, and the U.S. Customs-led Operation Green Quest, asset-blocking orders have been issued against 164 individuals and entities.

Forfeited Revenue. One measure of how Treasury disrupts the flow of money derived from illegal activities in the application of forfeiture to the infrastructure of criminal enterprises, thereby limiting the ability of criminal organizations to continue their illegal activities. In FY 2001, a total of \$254 million in forfeited revenue was deposited in the Treasury Forfeiture Fund. A total of 78.54 percent of the forfeited cash resulted from high-impact cases (those with currency seizures in excess of \$100,000), exceeding the target goal of 75 percent. Focusing on strategic cases and investigations which result in high-impact forfeitures will affect the greatest damage to criminal investigations while accomplishing the ultimate objective - to disrupt and dismantle criminal activity.

Financial Crimes. Treasury enforcement bureaus worked cooperatively with the Department of Justice, and state and local enforcement agencies to investigate and prevent money laundering and other financial crime. Federal, state, and local enforcement officials accessed Bank Secrecy Act data through the FinCEN Gateway program to support more than 9,000 cases, an almost 20% increase over FY 2000. In addition, FinCEN supported over 4,000 investigations and alerted investigative agencies over 2,000 times that one or more investigative agencies were interested in the same subject.

Project Colt Targeted Telemarketing Fraud. Customs participated in Project Colt, an international task force based in Montreal, Canada that targets telemarketing fraud and has identified over 1,200 U.S. and Canadian victims of telemarketing fraud. Project Colt task force members have seized and returned \$10 million to U.S. and Canadian victims. Nearly \$700,000 was seized or recovered under the auspices of Project Colt, and seven international bank accounts were frozen.

Anti-Counterfeiting Measures. The Secret Service worked to stifle counterfeiting and financial crimes involving the currency, obligations, and securities of the U.S. There was \$84 of counterfeit currency passed on the public for every million dollars of genuine currency in circulation. This represents \$6 less of counterfeit per million dollars of genuine currency passed on the American public compared to the goal. Overall, there was \$47.5 million in counterfeit U.S. currency passed domestically and \$1.5 million passed in foreign countries.



PROGRAM EVALUATIONS

Treasury law enforcement bureaus use various program evaluations to complement the use of performance measures in assessing program effectiveness. Program evaluations also encompass an assessment of program implementation processes and operating policies and practices when implementation rather than program outcome is a concern.

MANAGEMENT CHALLENGES/HIGH-RISK AREAS

The Treasury OIG has reported that Treasury needs to continue to combat money laundering worldwide through enhanced law enforcement, improved banking supervision and international cooperation. To address this, Customs accomplished several goals that assists in combating worldwide money laundering through enhanced law enforcement, improved banking supervision and international cooperation. Some of these include:

- Conducted two highly successful Special Outbound Operations (Pressure Point/Windfall) that resulted in 362 seizures totaling \$12.7 million in cash or monetary instruments.
- Established two new High-Risk Money Laundering and Financial Crime Areas in San Francisco and Chicago.
- Assisted in implementing Plan Colombia, a \$1.3 billion dollar initiative designed to assist the Colombian government in fighting drug trafficking and money laundering.

- Continued support of Project Colt, an international task force based in Montreal, Canada, which targets Canadian-based telemarketing fraud.
- Participated in the Financial Action Task Force, an international body, which develops and promotes policies to combat international money laundering.
- Obtained funding for four additional multi-disciplinary teams to target money-laundering systems in high-risk cities.

PARTNERS

Other agencies involved in combating money laundering and other financial crimes include the Department of Justice's Federal Bureau of Investigation and Drug Enforcement Administration, the U.S. Attorney's Offices, the U.S. Postal Inspection Service, the Federal Reserve Board, Federal financial regulators, including the Office of the Comptroller of the Currency, the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the Department of State.

NEXT STEPS

In order to continue our success in preventing counterfeiting and other financial crimes, Treasury will develop and coordinate policies, operations and public-private partnerships to prevent the abuse of credit cards and similar currency substitutes, as well as investigate computer fraud and abuse which reduces confidence in e-commerce. We will also work with the private sector and other government agencies to prevent, deter, and combat all forms of financial identify theft. Treasury will continue significant national undercover operations targeting money-laundering organizations, and conduct more special operations targeting outbound bulk cash shipments jointly with the Drug Enforcement Agency when appropriate.

LE3: Protect Our Nation's Borders and Major International Terminals from Traffickers and Smugglers of Illicit Drugs

RESULTS

Although the total flow of narcotics into the country remains unknown, Customs continues to make significant seizures in pounds seized, number of seizures, and pounds per seizure. In addition, Treasury bureaus played an important role in arresting key members of organized drug smuggling groups.

STRATEGIC GOAL OVERVIEW

The demand for illegal drugs remains strong in the United States. The Department of Health and Human Services estimates that illegal drug use has remained constant, with 14 million Americans using illegal drugs.

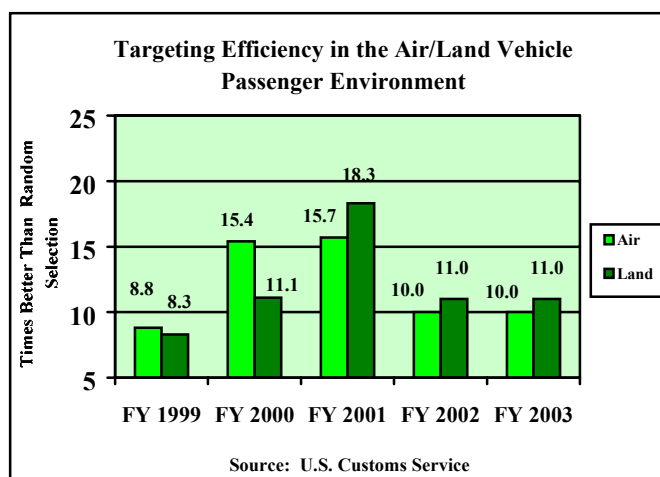
STRATEGIES/KEY MEASURES

Dismantling Drug Smuggling Organizations. Interdicting illegal drugs entering the U.S. is a key component of the Nation's drug control strategy. Customs worked to disrupt and dismantle drug smuggling organizations through the implementation of a unified intelligence, interdiction, and investigative effort. Data for pounds seized per number of seizures indicates that Customs is utilizing its resources more efficiently to make larger seizures, and thus, have more impact on the overall supply. By focusing its investigations, Customs was successful in arresting more significant members of the targeted drug smuggling organizations, thereby achieving more towards the strategic goal of disrupting the illegal activity.

Air and Marine Efforts. The consolidation of Customs' air and marine resources, along with the continued presence of Customs' air assets in Hermosillo, Mexico, and Jacksonville, Florida, yielded significant results in 2001. Customs successfully provided a flexible response to the drug smuggling threat on the northern border of Mexico, in the Bahamas and the Southeast United States. Along the northern border of Mexico, Customs Citation and P-3 aircraft assisted Mexican national interdiction forces in the seizure of thousands of pounds of marijuana and the arrest of numerous suspects. These efforts resulted in the eventual dismantling of an active smuggling organization based in Hermosillo.

Land Border Efforts. Customs deployed over 64 large-scale Non-Intrusive Inspection (NII) systems as part of its 5-Year Technology Plan. NII technology allows the x-ray inspection of large containerized cargo, and thus does not require individual cargo pallets to be broken down and manually inspected.

These NIIs are active at ports of entry along the southern tier of the U.S. and select seaports on both coasts. NII technology resulted in 265 seizures consisting of over 311,000 pounds of narcotics. This is a substantial increase from the 166 seizures totaling approximately 120,000 pounds recorded in FY 2000.



Customs also continued to focus efforts on gathering tactical information on passengers who may require a higher degree of inspection or examination upon their arrival in the United States. The Automated Targeting System for passengers is a completely integrated computer system used by Customs officers to select individuals who might be involved in international crime, including terrorist activity and narcotics trafficking.

PROGRAM EVALUATIONS

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PARTNERS

Customs continued to work closely with the Immigration and Naturalization Service (INS) as well as other law enforcement and inspection agencies around and along the borders. Cooperative efforts such as the Border Coordination Initiative continued to examine and implement ways partner agencies could better utilize shared resources. A few of these agencies include INS, local and state police, Coast Guard, Department of Agriculture, and foreign law enforcement. Efforts toward increased cooperation included the cross training of partner agency duties and expertise, technology and equipment training, improved sharing of intelligence, community and importer outreach, better utilization of radio technology for improved communication among agencies, and cooperative operational and tactical planning. The Customs Service enforces hundreds of laws and regulations in partnership with dozens of Federal agencies. The broad range and myriad of tasks and responsibilities of Customs creates the need to coordinate with other Federal agencies, state, local and foreign governments, and many trade and travel groups.

NEXT STEPS

There are many challenges associated with the Customs mission of reducing the amount of drugs entering the United States. Customs increasingly encounters smuggling organizations that are sophisticated and tenacious in their quest to pass drugs successfully through the Customs first line of defense. They expend a great deal of effort and money to circumvent law enforcement efforts and to exploit law enforcement vulnerabilities. These include the development of new concealment methods, internal conspiracies (e.g., employees of a carrier), the attempted corruption of border officers, or the utilization of a variety of global transshipment routes. With the continued growth in international trade resulting from the North American Free Trade Agreement, the sheer volume of cross-border activity is becoming a considerable challenge in itself.

Customs will continue to utilize an integrated approach to its narcotics interdiction with efforts focused on intelligence, partnerships, technology, and improved coordination of air and marine units.

LE4: Protect Our Nation's Leaders and Visiting Dignitaries

RESULTS

The ultimate mission of the Secret Service is to ensure the safety of persons authorized Secret Service protection. The Secret Service met its responsibility of providing security to all its protectees and related facilities during FY 2001.

STRATEGIC GOAL OVERVIEW

The protective threat facing the Secret Service has broadened to include individuals and groups operating outside their own countries. These individuals and groups have access to more sophisticated weapons, and are using “front” organizations to finance their activities. They are indiscriminate in their use of violence and often seek public attention for their actions. The low cost and availability of advanced technology and the proliferation of weapons of mass destruction have further increased dangers with which the Secret Service must contend.

STRATEGIES/KEY MEASURES

In its effort to perform its protective mission, the Secret Service employs a variety of procedures to ensure the safety of its protectees. These procedures directly relate to the primary strategies that include the proactive use of technology and protective intelligence, and the effective use of resources based on risk assessment and risk management. To maintain effectiveness, the Secret Service continually evaluates, modifies, and improves its policies and procedures to adapt to our complex world.

Protectee Travel. Travel by Secret Service protectees places considerable demands on Secret Service resources. The effort required to provide security increases dramatically when a protectee travels compared to when a protectee remains at his or her residence. The Secret Service measures protectee travel activity in terms of travel stops. A stop is considered a city or other definable subdivision visited by a protectee. The Secret Service provided physical protection for over 6,000 travel stops.

Protective Intelligence Cases. A major component of Secret Service protective operations are the protective intelligence cases worked by field agents. These cases involve an assessment of individuals or groups that may pose a threat to protectees of the Secret Service. The Secret Service closed 5,200 intelligence cases, an increase of 19 percent over FY 2000.

PARTNERS

The Secret Service has developed and maintains close working relationships with other Federal agencies and state and local law enforcement organizations. In addition to its own resources, the Secret Service relies heavily on these partnerships for support in carrying out its protective mission.

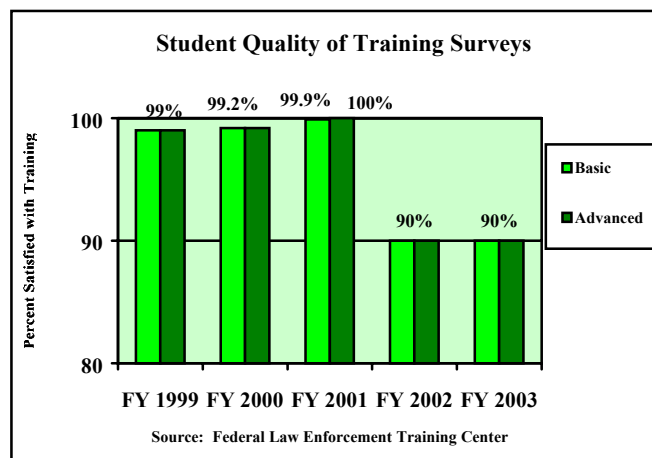
NEXT STEPS

The recent terrorist events have underscored the need to continually maintain the highest level of security for our Nation's leaders and visiting dignitaries. The Secret Service must remain forward-looking to identify approaches to deal with potential threats. To continue to provide the highest level of quality physical protection, the Secret Service must invest in personnel, equipment, and technologies that can detect and deter threats to our Nation's leaders and visiting dignitaries.

LE5: Provide High-Quality Training for Law Enforcement Personnel

RESULTS

FLETC continually solicits feedback from the 74 organizations that currently partner with the FLETC to ensure that both new and experienced law enforcement personnel receive high-quality training. The consistently high survey ratings from both the participating organizations and the students themselves support our evaluation that progress is being made in providing high quality training.



STRATEGIC GOAL OVERVIEW

America's citizens rely on law enforcement personnel to maintain order throughout the country. Poorly or improperly trained law enforcement personnel are ill-equipped to maintain order and may provide a danger to themselves as well as to the citizenry. It is essential that law enforcement students gain the knowledge and skills to successfully conduct investigations and operations and enforce our nation's laws.

STRATEGY/KEY MEASURES

Law Enforcement Training Strategies. The strategies associated with achieving this goal focus on the quality of instruction and of the training environment. FLETC recognizes the need for instructors to have had operational experience with a representative mix of the partnering organizations. The FLETC is exploring innovative measures to attract and retain an instructional force that reflects a combination of recent agency experience (i.e., re-employed annuitants), familiarity with current agency procedures (i.e., agency detailees), and corporate knowledge (i.e., FLETC permanent staff). In addition, efforts are ongoing to ensure that the entire instructional cadre is exposed to both the latest thinking in adult learning theory and the state-of-the art technological advancements that complement and facilitate the instruction.

The FLETC's attentiveness to the comments of its partner organizations and their students is perhaps the single most important factor in maintaining a high level of satisfaction. Both basic students and advanced students gave the FLETC very high ratings on the Student Quality of Training Survey. In addition, the FLETC continually solicits feedback from the 74 organizations that currently partner with the FLETC to ensure that both new and experienced law enforcement personnel receive high-quality training.

PROGRAM EVALUATIONS

In conjunction with the cognizant partner organizations, the FLETC continually works to assess, validate, and improve each program, as described above. Programs are constantly evolving and being refined in response to evaluative data and environmental issues (changes in applicable laws, mission emphases, the partners' requirements, etc.) As needed, formal Curriculum Review or Development Conferences are conducted with the key program participants, and programs are further updated and/or changed to ensure that they continue to meet the law enforcement-training requirement. For example, during FY 2001, the "Land Management Training Program" was retired, and replaced with two programs that better meet the specific needs of the partners (namely, the Natural Resources Police Training Program and the National Park Ranger Integrated Program).

PARTNERS

The FLETC currently has Memoranda of Agreement with 74 Federal agencies that have a law enforcement role. These 74 Partner Organizations (POs) identify the training criteria for their respective students in a jointly sponsored Curriculum Review Conference. The POs contribute to the training experience by providing members of their own agency staffs on a temporary basis to augment the FLETC instructional force. In addition, the POs collaborate with the FLETC to share resources such as office space. Regularly scheduled meetings between the POs and the FLETC Director and senior management provide a discussion forum for any issues of mutual interest. Also, the PO key representatives work closely with FLETC personnel to highlight opportunities for improvement and/or to resolve items of concern on an on-going basis.

NEXT STEPS

The FLETC has developed a long-term strategy for hiring its instructional force and has begun to implement new procedures to execute the strategy. The involvement of the agencies whose students train at the FLETC has evolved from “participating” to “partner” with increased opportunities for substantive cooperation continually being identified. The potential proliferation of agency-specific training sites will continue to be discussed and negotiated within the context of the benefits of the consolidated training concept but with an enhanced sensitivity to agency needs. The events of September 11 have heightened the need for high-quality training of law enforcement personnel. The FLETC’s response, for example, to the immediate training needs of the Federal Aviation Administration’s Federal Air Marshals highlights the benefits of the ability to provide the right training to the right people in the right way at the right time and in the right place.